Efforts to curb smuggling of Gold

326. SHRIMATI JAYANTI PATNAIK: Will the Minister of FINANCE be pleased to state:

(a) whether efforts are being made by the Govt. to curb gold smuggling;

(b) if so, the details of the cases detected during last years;

(c) the action initiated thereafter;

(d) whether the smuggling of Gold has reduced after the introduction of gold import scheme; and

(e) the details of the steps being taken to stop gold smuggling?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) to (d) Anti smuggling agencies are alert to detect & prevent smuggling of gold. Liberalized import of gold under baggage import scheme since 1992 and under Special Import Licence since 1994 has made substantial quantities of legally imported gold available in the country leading to overall decline in smuggling of gold. Government have recently further liberalized import of gold under passenger baggage scheme by increasing the quantity allowed to be imported by eligible passengers from 5 Kg. to 10 Kg. However some smuggling of gold is still being noticed. The details of seizures of gold during the last three years are furnished below:—

Year(s)	Weight in Kgs.	Value of seizures (Rs. in lakhs)	No. of persons arrested for smuggling of gold
1994-95	1277	6080	265
1995-96	1148	5720	301
1996-97* (upto 31.12.96)	805	4180	229

(* figures are provisional)

The persons found involved in smuggling of gold are prosecuted and detained in preventive custody in serious cases.

In addition, departmental action of adjudication for confiscation of contraband gold and imposition of penalty is undertaken.

(e) Steps taken to curb smuggling of gold include further liberalisation of gold import under passenger baggage scheme, besides high alert being maintained by anti smuggling agencies to detect and prevent smuggling of gold into the country by surveillance over sensitive areas, targetting of intelligence and use of sophisticated equipments like metal detectors, colour baggage X-Ray machines etc. in ports and airports.

Central Board for Bank Frauds

327. SHRI GHUFRAN AZAM:
SHRI GURUDAS DAS GUPTA:
SHRI N. GIRI PRASAD:

Will the Minister of FINANCE be pleased to state:

(a) whether Government has decided to constituted a separate independent Central Board to deal with frauds in banking transactions;

(b) if so, by when the said board would be constituted and start functioning and the *modus-operandi* of the said board; and

(c) to what extent the bank frauds would be checked by the said board?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) to (c) An assurance was given by the then Finance Minister in the Parliament in 1992 that Government was considering establishment of a separate Special Bureau of Frauds to deal with serious frauds in banks and financial institutions. The scope of the Special Bureau had been under examination in consultation with Reserve Bank of India (RBI). On a subsequent examination of the matter it was felt that since banks are commercial institutions engaged in the business of lending which necessarily involves associated commercial risks and since a distinction is required to be made between cases of bonafide commercial judgement leading to loss and acts of malfeasance/criminal negligence, the jurisdiction of the CBI may not be excluded but a suitable mechanism may be put in place to isolate cases of criminality and malfeasance in banking transactions so that such cases can be expeditiously dealt with and investigated by CBI. RBI have since set up an Advisory Board on Bank Frauds on 17.2.1997 to advise RBI on cases referred by the Central Bureau of Investigation (CBI) either directly